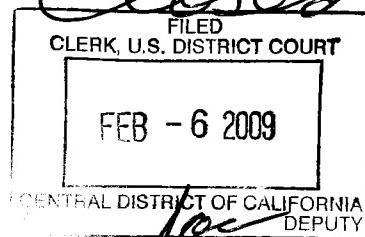


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11 GIANNI VERSACE, S.p.A., a Foreign } CASE NO.:CV 06 - 3485 DDP (PLAX)
12 Corporation, Plaintiffs }
13
14

CASE NO.:CV 06 - 3485 DDP (PLAx)

**FINAL JUDGMENT UPON
CONSENT; PERMANENT
INJUNCTION; AND [PROPOSED]
ORDER THEREON re**

- 1. LADA JEANSWEAR, Inc.**
*dba 2 Hermanos, 2 Hermanos
Import, Dos Hermanos*

16 ISMAEL SLEIMAN, an Individual, AHMAD
17 SLEIMAN, an Individual, LADA
18 JEANSWEAR, INC., a California
Corporation, collectively *dba* 2 Hermanos, 2
Hermanos Import, Dos Hermanos, Vigo
Collection, Vigo Trading Co., Lexsus, Lada
19 *Sportswear, Inc., RN#110862, RN#86578 and*
RN#98709, and DOES 1 through 10 Inclusive

Defendants

COMPLAINT FILED: JUNE 7, 2006

TRIAL DATE: JULY 22, 2008

22 Plaintiff, GIANNI VERSACE, S.p.A., a Foreign Corporation ("VERSACE") and
23 Defendant **LADA JEANSWEAR, Inc.**, a California Corporation, *dba 2 Hermanos, 2*
24 *Hermanos Import, Dos Hermanos*, hereby stipulate and consent to the following Consent
25 Judgment:

26 **WHEREAS**, the parties have agreed to the entry of the following findings of fact and
27 conclusions of law finally disposing of Counts I, II, III and IV of the Complaint asserted by
28 VERSACE, it is hereby ordered, adjudged and decreed that:

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1 **WHEREAS**, LADA JEANSWEAR, Inc., a California Corporation, *dba* 2
2 *Hermanos, 2 Hermanos Import, Dos Hermanos*, adopted and began using trademarks in the
3 United States which infringe or otherwise violate VERSACE's registered trademark(s)
4 MEDUSA (the "VERSACE Trademarks") as identified in VERSACE's Amended
5 Complaint and on registry with the USPTO;

6 **WHEREAS**, LADA JEANSWEAR, Inc.'s use of marks which incorporate one or
7 more of the VERSACE Trademarks, is likely to cause confusion as to source or origin;

8 **WHEREAS**, LADA JEANSWEAR, Inc. sold and/or offered for sale merchandise
9 bearing marks which incorporate one or more of the VERSACE Trademarks;

10 **WHEREAS**, LADA JEANSWEAR, Inc.'s use of marks which incorporate one or
11 more of the VERSACE Trademarks, traded on the good will and reputation of VERSACE;

12 **WHEREAS**, based upon VERSACE's good faith prior use of the VERSACE
13 Trademarks, VERSACE has superior and exclusive rights in and to the VERSACE
14 Trademarks in the United States and any confusingly similar names or marks;

15 **WHEREAS**, VERSACE Trademarks registered, at issue in this matter, and on file
16 with the United States Patent and Trademark Office are famous and distinctive; and

17 **WHEREAS**, this Court has jurisdiction over the party to this action and over the
18 subject matter hereof pursuant to 15 USC 1121(a) and 28 USC 1331, 1338(a) and (b), and
19 28 USC 1367,

20 **IT IS ORDERED, ADJUDGED AND DECREED** as follows:

21 1. Defendant LADA JEANSWEAR, Inc., *dba 2 Hermanos, 2 Hermanos Import,*
22 *Dos Hermanos*, violated the Federal Lanham Act as alleged in Count I TRADEMARK
23 INFRINGEMENT (15USC § 1114(1) and Count III TRADE DRESS INFRINGEMENT
24 (15 USC §1125(a)).

25 2. Defendant LADA JEANSWEAR, Inc., its parents, subsidiaries, related
26 entities, divisions, officers, owners, shareholders, employees, affiliates, servants,
27 representatives, agents, predecessors, assigns and successors in interest of any kind, and all
28 persons, firms, entities, or corporations under its direction and control or in active concert

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1 or participation with it, are immediately and permanently enjoined throughout the world
 2 from directly or indirectly infringing, counterfeiting, or diluting the VERSACE Trademarks
 3 or any marks similar thereto, as identified in Exhibit 1 of the 1st Amended Complaint and
 4 on Registry with the United States Patent & Trademark Office at www.uspto.org, in any
 5 manner, including generally, but not limited to manufacturing, importing, distributing,
 6 advertising, selling, and/or offering for sale any merchandise which infringes said
 7 trademarks and specifically from:

- 8 (A) Imitating, copying or making unauthorized use of any or all of the
 9 GIANNI VERSACE trademarks or trade dress;
- 10 (B) Importing, manufacturing, producing, possessing, distributing,
 11 circulating, advertising, promoting, displaying, selling, and/or offering
 12 for sale, any non-genuine product bearing any simulation,
 13 reproduction, counterfeit, copy, phonetically similar sounding words,
 14 or colorable imitation or reproduces, or utilizes the likenesses of or
 15 which copy or are likely to cause consumer confusion with any of the
 16 VERSACE trademarks or trade dress;
- 17 (C) Manufacturing, distributing, selling or offering for sale or in
 18 connection thereto any unauthorized promotional materials, labels,
 19 packaging or containers which picture, reproduce or utilize the
 20 likenesses of, or which are likely to cause consumer confusion with
 21 any of the VERSACE trademarks;
- 22 (D) Using any false designation of origin, false description, including
 23 words, symbols or any trademark, trade name, trade dress, logo or
 24 design tending to falsely describe or represent, or is likely to confuse,
 25 mislead, or deceive purchasers, Defendant's customers, or members
 26 of the public, that unauthorized merchandise manufactured,
 27 distributed, advertised, sold and/or offered for sale by Defendant
 28 originate from VERSACE, or that said merchandise has been

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1 sponsored, authorized, endorsed, approved, licensed by, associated,
2 or is in any way connected or affiliated with VERSACE;

- (E) Transferring, consigning, selling, shipping or otherwise moving any non-genuine VERSACE goods, packaging or other materials in the Defendant's possession, custody or control bearing a design, or mark substantially identical to or confusingly similar with or any or all of the GIANNI VERSACE trademarks or trade dress;
 - (F) Diluting and infringing the VERSACE trademarks and damaging VERSACE's goodwill, reputation and businesses;
 - (G) Otherwise unfairly competing (as defined under Cal. B&PC §17200) with GIANNI VERSACE, S.p.A., or its subsidiaries or affiliated companies;
 - (H) Passing off or selling any products which are not entirely genuine VERSACE products as and for VERSACE products, including products utilizing VERSACE labels, packaging or containers that have been in any way modified without the written permission of VERSACE;
 - (I) Applying to the United States Patent & Trademark Office for the registration of any trademark that is a colorable imitation of any or all of the GIANNI VERSACE trademarks, or confusingly similar mark, trade name, trade dress, logos or design;
 - (J) Using the VERSACE trademarks or any such reproduction, counterfeit, copy, or colorable imitation in connection with the manufacture, importation, distribution, advertising, publicity, sale and/or offering for sale, of any other merchandise not referred to above; and
 - (K) Instructing, assisting, inducing, aiding or abetting any other person or business entity in engaging in or performing any of the activities

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1 referred to above.

2 3. The jurisdiction of this Court is retained for the purpose of making any further
3 orders necessary or proper for the construction or modification of the Settlement Agreement,
4 this Judgment, the enforcement thereof and the punishment of any violations thereof.

5 4. Any party shall have the right to seek sanctions for contempt, compensatory
6 damages, injunctive relief, attorneys' fees, costs, and such other relief deemed proper in the
7 event of a violation or failure to comply with any of the provisions hereof. The prevailing
8 party in any such proceeding shall be entitled to recover its attorneys' fees and costs.

9 5. Judgment is rendered in favor of VERSACE and against LADA JEANSWEAR,
10 Inc., as to Count I TRADEMARK INFRINGEMENT (15USC § 1114(1)) and Count III
11 TRADE DRESS INFRINGEMENT (15 USC §1125(a)), subject to the terms of the
12 Settlement Agreement between the parties. All remaining counts against LADA
13 JEANSWEAR, Inc. are dismissed with prejudice. This Consent Judgment shall be
14 conclusive for purposes of collateral estoppel regarding all issues of liability that have been
15 or could have been brought on the same operative facts.

16 6. The parties respective attorney's fees and costs incurred in connection with
17 this action shall be borne as per the agreement of the individual parties in their Settlement
18 Agreement.

19 7. This Court will retain continuing jurisdiction over this cause to enforce the
20 terms of this Consent Judgment and the Settlement Agreement between the parties, and will
21 retain continuing jurisdiction over LADA JEANSWEAR, Inc., ISMAEL SLEIMAN, and
22 AHMAD SLEIMAN.

23 8. All counterfeit and infringing VERSACE products currently in the possession,
24 custody or control of LADA JEANSWEAR, Inc., its parents, subsidiaries, related entities,
25 divisions, officers, owners, shareholders, employees, affiliates, servants, representatives,
26 agents, predecessors, assigns and successors in interest of any kind, and all persons, firms,
27 entities, or corporations under its direction and control or in active concert or participation
28 with it, shall be turned over to counsel for Plaintiff and destroyed under the direction of

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1 | VERSACE

2 9. Nothing in this Judgment shall be construed or deemed an admission by the
3 parties, nor is there a finding by this Court, that the conduct herein was intentional,
4 deliberate, willful, malicious or fraudulent.

5 10. This Judgment shall be deemed to have been served upon Defendant at the
6 time of its execution by the Court.

7 IT IS SO ORDERED.

8 | DATED: 2-6-09

UNITED STATES DISTRICT JUDGE

11 APPROVED AS TO FORM AND CONTENT

12

13 DATED: September 25, 2008

LADA JEANSWEAR, Inc. dba

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2 Hermanos, 2 Hermanos Import, Dos Hermanos

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By:

ISMAEL SLEIMAN, President/CEO

18

DATED: September 25, 2008

LAW OFFICES OF PHILIP N. ALEXANDER

20

Bv

PHILIP N. ALEXANDER, ESQ.,
Attorneys for Defendants
ISMAEL SLEIMAN
AHMAD SLEIMAN
LADA JEANSWEAR, Inc.

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RICHLAND & ASSOCIATES

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Felipa R. Richland, Attorneys for Plaintiff
GIANNI VERSACE S.p.A.

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